



The Florida House of Representatives

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FLORIDA HOUSE BUDGET LEADERS RELEASE \$70.2 BILLION STATE BUDGET PROPOSAL FOR FY 2007-08

MEASURE INCLUDES \$ 1.1 BILLION LESS THAN CURRENT YEAR SPENDING

TALLAHASSEE, FL—Florida House of Representatives budget leaders today released a proposed \$70.2 billion state budget proposal that increases funding for education, health care and public safety, while reducing spending by over \$1 billion. The House's budget also continues to reserve \$2 billion to ensure state services to the public in the event of unexpected events such as a hurricane or prolonged economic downturn.

"This budget practices fiscal responsibility while funding critical needs," said House Policy and Budget Council Chair Ray Sansom, R-Destin. "We're delivering services to the public while making progress in aligning recurring spending with recurring revenues. Our budget sets an example for local governments in Florida. We are meeting the citizens' needs, spending less money than last year during a period of economic downturn and still reserving funds in case of unexpected budget shortfalls next year. We are making significant progress in using only recurring revenues to fund recurring needs. This is absolutely critical to stabilizing Florida's future state budgets."

House Speaker Marco Rubio praised the smooth budget process under Sansom's direction. "The House Policy & Budget Council will take up this proposed budget at its meeting on Friday and we are very comfortable with the services it provides to the citizens," Rubio said. "Economic forecasts for Florida now predict a \$956 million shortfall in state revenues, largely due to the downturn in the real estate market. Fortunately, we set aside prudent reserves in the past to manage this shortfall in anticipated revenues. We are repeating that success story again in our budget for next year," he said.

Copies of the bill PCB PBC 07-06 General Appropriations Act for Fiscal Year 2007-08 are available from the House Documents Office in the Capitol and on line at www.myfloridahouse.gov.

Sansom and Rubio listed a series of major budget issues included in the House proposal:

EDUCATION:

--K-12 funding for the Florida Education Finance Program is increased by \$1.23 billion, a 6.8 percent increase. Funds are included for a projected 7,336 new students. Class size reduction is funded with a \$583 million increase for a total of \$2.69 billion. A \$52.5 million increase is proposed for the Merit Award Program that recognizes teacher performance, for a total of \$200 million. Also included is a \$42.4 million increase in the exceptional student allocations for a total of \$1.14 billion to enhance education for students including those who are gifted or who have learning disabilities. Reading initiatives received a \$27.5 million boost in the House budget to a total of \$215.8 million, and supplemental academic instructions funds, used for academic summer schools and other academic improvements, received a \$18.2 million increase, for a total of \$726.1 million in the budget proposal.

--A total of \$390.1 million is budgeted for voluntary pre-kindergarten programs.

--Community colleges would see a \$52.1 million increase for enrollment and direct program costs, a 5.4 percent increase over the current year. The budget authorizes a 5 percent tuition and fee increase, generating \$22.7 million.

--State universities are budgeted for an \$85.7 million increased for enrollment and direct program costs, a 3.9 percent increase. This includes \$47.7 million for enrollment, and \$20.1 million for medical education. The proposal authorizes a 5 percent tuition and fee increase for resident undergraduates with flexibility to increase tuition for all other students, and \$28.3 million for specific university program enhancements.

HEALTH CARE

--The proposed budget for next fiscal year is \$500 million more than the current year budget, proposing \$24.2 billion for health care and welfare services. This is a 2 percent increase over the current year. Of the \$24 billion, \$8.4 billion is in general revenue and tobacco funds—a 4.5 percent increase over the current year. (Many of the state's health care programs are funded through a combination of state general revenues funds and federal funds.)

--\$994 million (\$386.3 million in general revenue) is budgeted for price level increases for Medicaid services. KidCare funding is increased by \$55.6 million (of which \$18.6 million is general revenue) to meet the anticipated enrollment adopted by the state's estimating conference in January—an average of 3,000 new children per month. The budget provides an additional \$65.8 million for the state's forensic mental health program, providing 373 new beds as well as community treatment for mentally-ill patients in the criminal justice system. Tobacco education and prevention programs would receive \$54.8 million under the House proposal, as required by the recently enacted constitutional amendment.

SAFETY AND SECURITY

--The budget proposes \$5 billion, a \$363 million increase over last year. Included is \$244.3 million for the expected increase in the inmate population with \$192 million set aside for new prison beds and \$51.5 million for operations funding to provide housing, supervision, medical care and basic subsistence for an additional 4,000 inmates.

- An increase of \$16 million is proposed for court-appointed counsel services with responsibility for managing all indigent legal representation transferred to the public defenders.
- The budget provides for a \$7.4 billion increase for substance abuse, mental health and related programs for inmates and probationers. This includes \$2 million for grants to plan and implement programs in local communities to deal with mentally ill individuals who become involved in the criminal justice system.
- The budget proposes a \$6 million increase for state attorneys and public defenders workload needs and other priorities and \$6.5 million to continue payments on behalf of fiscally constrained counties for their cost of juvenile detention.

ENVIRONMENT AND NATURAL RESOURCES

- The budget proposal totals \$2.9 billion for FY 2007-08. It funds \$300 million for Florida Forever, \$100 million for Comprehensive Everglades Restoration Program, \$85 million for the Northern Everglades Region, including Lake Okeechobee and \$161 million for cleanup of leaking underground storage tanks. A total of \$30 billion is set aside for beach renourishment projects and \$21 million for small county wastewater treatment grants.